



TEMPORARY
THE STATE OF NEVADA

**PERMIT TO CHANGE THE PUBLIC WATERS OF THE
STATE OF NEVADA HERETOFORE APPROPRIATED**

Name of Permittee: VERIS GOLD USA, INC.
Source: UNDERGROUND (BB 3)
Basin: INDEPENDENCE VALLEY
Manner of Use: MINING, MILLING, DEWATERING, AND DOMESTIC
Period of Use: ONE YEAR FROM DATE OF ISSUANCE.
Priority Date: 05/29/1990

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This temporary permit to change the point of diversion and manner of use of the waters of an underground source as heretofore granted under Permit 54878, is issued subject to the terms and conditions imposed in said Permit 54878 and with the understanding that no other rights on the source will be affected by the change proposed herein. This well shall be equipped with a two (2) inch opening for measuring depth to water and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the proof of completion of work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste.

This temporary permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The issuance of this temporary permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

This temporary permit is issued pursuant to the provisions of NRS 533.345 Section 2 and will expire 1 year after the approval of the permit at which time all rights herein granted shall revert to the right being changed by this temporary permit.

This temporary permit will allow the permittee to dewater the mine area. It is understood that any water produced as a result of this dewatering operation shall be used first by the permittee for mining, milling and related uses. Any water pumped and not used for mining and milling purposes shall be recharged to the Independence Valley Groundwater Basin.

Monthly records shall be kept of the following and reported within 15 days after the end of each quarter:

- A. The total volume of water pumped from each diversion in acre-feet.
- B. The maximum flow rate from each diversion in cubic feet per second.
- C. The pumping water level from each well in feet above mean sea level.
- D. The volume of water consumptively used for mining and milling in acre-feet.

(Continued on Page 2)

E. The amount of water diverted to the infiltration or injection sites, if any, in acre-feet.

F. The amount of water lost through evaporation or other system losses project wide.

The State Engineer may require additional monitoring should conditions warrant such modification.

The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

The total combined duty of water for consumptive purposes under Permits 52771, 54192, 54878, 61393, 61394, 62306, 62307, 62428, 62429, and Temporary Permits 82933T, 82934T and 83214T shall not exceed 2,500.0 acre-feet annually.

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, **and not to exceed 0.5 cubic feet per second or 177.38 acre-feet annually.**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

N/A

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

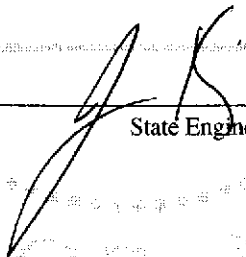
N/A

Map in support of proof of beneficial use shall be filed on or before:

N/A

IN TESTIMONY WHEREOF, I, JASON KING, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 2nd day of January, 2014

 P.E.

State Engineer

**APPLICATION FOR PERMISSION TO CHANGE POINT OF DIVERSION, MANNER
OF USE AND PLACE OF USE OF THE PUBLIC WATERS
OF THE STATE OF NEVADA HERETOFORE APPROPRIATED**

THIS SPACE FOR OFFICE USE ONLY

Date of filing in State Engineer's Office

NOV 01 2013

Returned to applicant for correction

Corrected application filed

Map filed

NOV 01 2013

The applicant Veris Gold USA, Inc.HC 31, Box 78of Elko

Street Address or PO Box

City or Town

Nevada 89801

State and ZIP Code

hereby make(s) application for permission to change the

☒ Point of diversion☐ Place of use☒ Manner of use☐ of a portion

of water heretofore appropriated under (Identify existing rights by Permit, Certificate, Proof or Claim Nos. If Decree, give title of Decree and identify right in Decree.)

permit #54878

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STATE ENGINEERS OFFICE

1. The source of water is underground (BB-3)

Name of stream, lake, underground, spring or other sources.

2. The amount of water to be changed 0.5 cfs / 57.8 mga (177.38 AFA)

Second feet, acre-feet. One second foot equals 448.83 gallons per minute.

3. The water to be used for mining, milling, de-watering and domestic

Irrigation, power, mining, commercial, etc. If for stock, state number and kind of animals. Must limit to one major use

4. The water heretofore used for mining, milling and domestic

If for stock, state number and kind of animals.

5. The water is to be diverted at the following point (Describe as being within a 40-acre subdivision of public survey and by course and distance to a found section corner. If on unsurveyed land, it should be stated.)

within the SW¼SE¼ Section 15, T40N, R53E, MDM, from which the E.1/16 corner on the south boundary of said section 15 bears S.23°34'E. 417 feet (see enclosed temporary map).

6. The existing point of diversion is located within (If point of diversion is not changed, do not answer.)

within the SW¼ SE¼ Section 15, T40N, R53E, MDM from which the SE corner of said section 15 bears S.66°00'E. 1,548 feet (see map filed under #54192).

Independence Valley
3 - 36
E1

7. Proposed place of use (Describe by legal subdivisions. If for irrigation, state number of acres to be irrigated.)
same as existing

8. Existing place of use (Describe by legal subdivisions. If changing place of use and/or manner of use of irrigation permit, describe acreage to be removed from irrigation.)

18, 19,
T.40N., R.53E., M.D.M: portions of sections 2, 11, 14 - 17, 20 - 23, 26 - 28.
T.41N., R.53E., M.D.M: portions of sections 25, 26 & 35.
T.41N., R.54E., M.D.M: portions of sections 19, 20, 22, 29, 30 & 33 (see map under #54192 & 54878).
32

E/S
11/6/13

9. Proposed use will be from January 1 to December 31 of each year.
Month and Day Month and Day

10. Existing use permitted from January 1 to December 31 of each year.
Month and Day Month and Day

11. Description of proposed works. (Under the provision of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) (State manner in which water is to be diverted, i.e., diversion structure, ditches, pipes and flumes or drilled well, pump and motor, etc.)

Drilled and cased well, submersible pump and motor, pipelines to storage tank and to various sites within place of use

12. Estimated cost of works \$150,000

13. Estimated time required to construct works 6 months

If well completed, describe well.

14. Estimated time required to complete the application of water to beneficial use one year

15. Provide a detailed description of the proposed project and its water usage (use attachments if necessary): (Failure to provide a detailed description may cause a delay in processing.)

Water to be used for dust control, mineral exploration drilling, sample preparation, ore zone de-watering as encountered in mine development and incidental domestic use by work force.

16. Miscellaneous remarks:

Upon completion of proposed well and verification of production, a permanent change application will be submitted. Please send copies of notices and correspondence to the undersigned agent.

bill@farrwestengineering.com

E-mail Address

738-2121

Phone No.

111

Ext.

APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT

William A. Nisbet, agent

Type or print name clearly

William A. Nisbet

Signature, applicant or agent

Farr West Engineering

Company Name

421 Court Street

Street Address or PO Box

Elko, Nevada 89801-3527

City, State, ZIP Code